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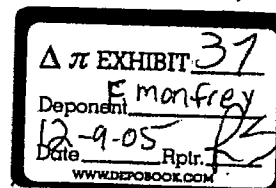
UNITED FREIGHT & TRANSPORT, INC.

1701 E. FIRST AVENUE
ANCHORAGE, ALASKA 99501
907-272-5700 / FAX 907-272-4324

November 26, 2003

Michael E. Jones, Business Representative
General Teamsters Local 959 State of Alaska
520 East 34th Avenue
Anchorage, Alaska 99503

Re: *Shotsay Breaux*



Dear Michael:

① I received your letter dated November 18, 2003, in the mail on Thursday, November 20, 2003. In that letter you propose terms to resolve matters related to United Freight's decision not to hire Ms. Shotsay Breaux. As you will recall, we discussed the same proposal at a meeting on Friday, November 14, 2003, and I told you at that time that United Freight would not accept the proposal. In addition, for the reasons set out in this letter, United Freight does not accept that Ms. Breaux or the Union has a valid grievance pending under the terms of the current Collective Bargaining Agreement. To be clear, United Freight rejects the Union's offer to resolve this matter on the terms you propose and rejects any suggestion that Ms. Breaux or the Union has a pending grievance to resolve.

② I think it is important to clearly set forth the facts and circumstances of United Freight's contact with Ms. Breaux. On or about September 18, 2003 we called the union hall to request a list of qualified and available drivers as possible candidates to fill two driver positions at the company. In response, the union hall sent over five people. Each of these individuals was asked to complete our standard employment application. I then reviewed the applications and made the decision to give a driving test to three applicants, including Shotsay Breaux.

③ The driving test was administered by one of our most senior and experienced drivers, Bill Smith. Following the driving test, Mr. Smith reported back to me that two of the applicants were good drivers, but that Ms. Breaux was "slow". In my experience, a "slow" driver is one that hesitates or drives slowly because of a lack of experience. I therefore understood Mr. Smith's comment that Ms. Breaux was "slow" to indicate that she did not display a level of experience and confidence when operating the vehicle during the driving

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test. I later learned that Mr. Smith had also talked to a former co-worker of Ms. Breaux's who concurred with this assessment of her driving. From the pool of three applicants, we hired the one we believed was the best driver. Although I originally planned to hire two drivers, by the time we got through the process I decided we only needed one at that time. We did not hire either Ms. Breaux or the second male applicant, Mr. Dan Tullis. As you know, United Freight is not obligated to hire any job applicant referred by the Union.

4. I then received your letter of October 2, 2003 indicating that the Union was pursuing a grievance on behalf of Ms. Breaux and alleged that United Freight had discriminated against her and had a "history of not hiring female drivers." I responded by letter dated October 6, 2003 and denied the unfounded allegations. I did not receive any response to my October 6 letter. The Union certainly did not provide notice of a Step 2 grievance within the ten (10) days provided for in Section 9.02 of the Agreement. By all indications the matter was closed.

5. Approximately three weeks later, I realized we needed a second driver after all. Rather than go through the entire process which we had just completed, I asked my Dispatcher Dana Adams to call the hall and find out if our second choice, Mr. Tullis, was still available, and if so, whether it would be acceptable for us to hire him without going through a new call. We were informed that the union hall had no objection to us making Mr. Tullis an offer of employment under those circumstances. On the basis of that statement, we made Mr. Tullis an offer and he was hired on October 16, 2003.

6. Needless to say, I was shocked to receive your letter dated October 31, 2003, which alleged that United Freight violated the hiring hall provisions of the Agreement by hiring Mr. Tullis and once again raised an issue regarding Ms. Breaux. You and I discussed the matter on November 5, 2003 at which time I explained the sequence of events set forth above which led to United Freight's decision not to hire Ms. Breaux and to later hire Mr. Tullis after the call had closed. At that time you made an oral representation to me that the Union considered the Breaux matter closed and that you would not be pursuing it. I recall you saying the active issue was what you termed a "hiring hall issue" and United Freight's "pattern of not following normal hiring practices", to which I responded that we have followed the same hiring practices for years without objection from the Union. I also described our call to the union hall regarding Mr. Tullis and the unique circumstances of his hire. I understand you were

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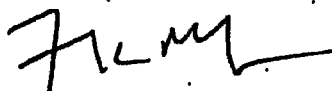
later able to confirm with the hall dispatcher that we were given the go ahead to hire him without an open call.

7. As I told you when we talked on November 5th, United Freight is willing to continue a dialogue with the union about the hiring practices issue. I am also willing to review any new hiring rules the Union wants to propose. However, the situation with Mr. Tullis was unique and does not support your allegation that United Freight has a "pattern" of abnormal hiring hall practices.

8. Similarly, the Union's allegations regarding sexual discrimination against Ms. Breaux are not supported by any evidence. United Freight had a legitimate, non-discriminatory reason for not offering her a driver position. Your suggestion that this company has a "history" of not hiring women is simply not true. The reality is that there are few female drivers in Alaska. We reviewed our records and found that the Union has sent three female driver applicants to us since 1995 and of these, we have hired two. In particular, we hired Pamela Gabbert in May 1995 and Dalonna Sprinkle-Nelson in March 2000. Ms. Gabbert worked for approximately two months in 1995 before being laid-off as part of a reduction in force. She was then rehired in November 1996 and work for us until August 1997 when she resigned to move out of state. Ms. Sprinkle-Nelson worked for us for approximately two months in the spring of 2000 and was let go during her probationary period because of excessive absences, especially on ship days. There is nothing about this information which supports your allegation that United Freight discriminates against women.

9. For all these reasons, United Freight does not believe the Union has a valid basis for alleging United Freight violated the Agreement either by hiring Mr. Tullis, or by not hiring Ms. Breaux.

Sincerely,



Frank Monfrey
President

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November 26, 2003

Mr. Frank Monfrey
President
United Freight & Transport, Inc.
1701 E. First Avenue
Anchorage, AK 99501

Re: Shotsay Breaux

Dear Frank:

I have not received a reply from the Company regarding my grievance letter of October 31, 2003, nor my grievance settlement proposal letter of November 18, 2003. Therefore, the Union is moving this matter to Step III of the grievance procedure as outlined in Article 9.02, Step 3, Section (a) of the Collective Bargaining Agreement.

Please contact me at 565-8272 to schedule a meeting.

Sincerely,

TEAMSTERS LOCAL 959

Michael E. Jones
Business Representative

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c: Shotsay Breaux

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